Why Lara wants F1 cockpit space

Alan Copps

When the British Grand Prix takes place at Silverstone this weekend the on-site response centre will be standing by to deal with an anticipated 500 breakdowns.

It sounds a bit much for a field of just 22 cars, but we're talking here not about Silverstone's race control centre, but the equally sophisticated base from which the RAC deals with the huge amount of traffic generated by race weekend.

The orange-clad patrols may be dealing with family saloons rather than 200mph Formula One cars, but some of the technology they use is just as advanced as in the pit-lane garages, where the mechanics look ever more like lab technicians.

The position of each RAC patrol is logged on to the response centre's screen by GPS satellite locator. As soon as a patrol is despatched to an incident, information about the car and the problem can be transmitted instantly to the patrol's mobile data terminal. If the problem is an electrical fault, as the majority of today's breakdowns are, the patrol will use an electronic fault code reader to indentify it.

This is probably as close to F1 technology as the ordinary motorist is likely to come, although the RAC is working on that. Peter Brill of the RAC foresees the day when patrols will be able to rectify faults with the same gadget that makes a plug-in diagnosis.
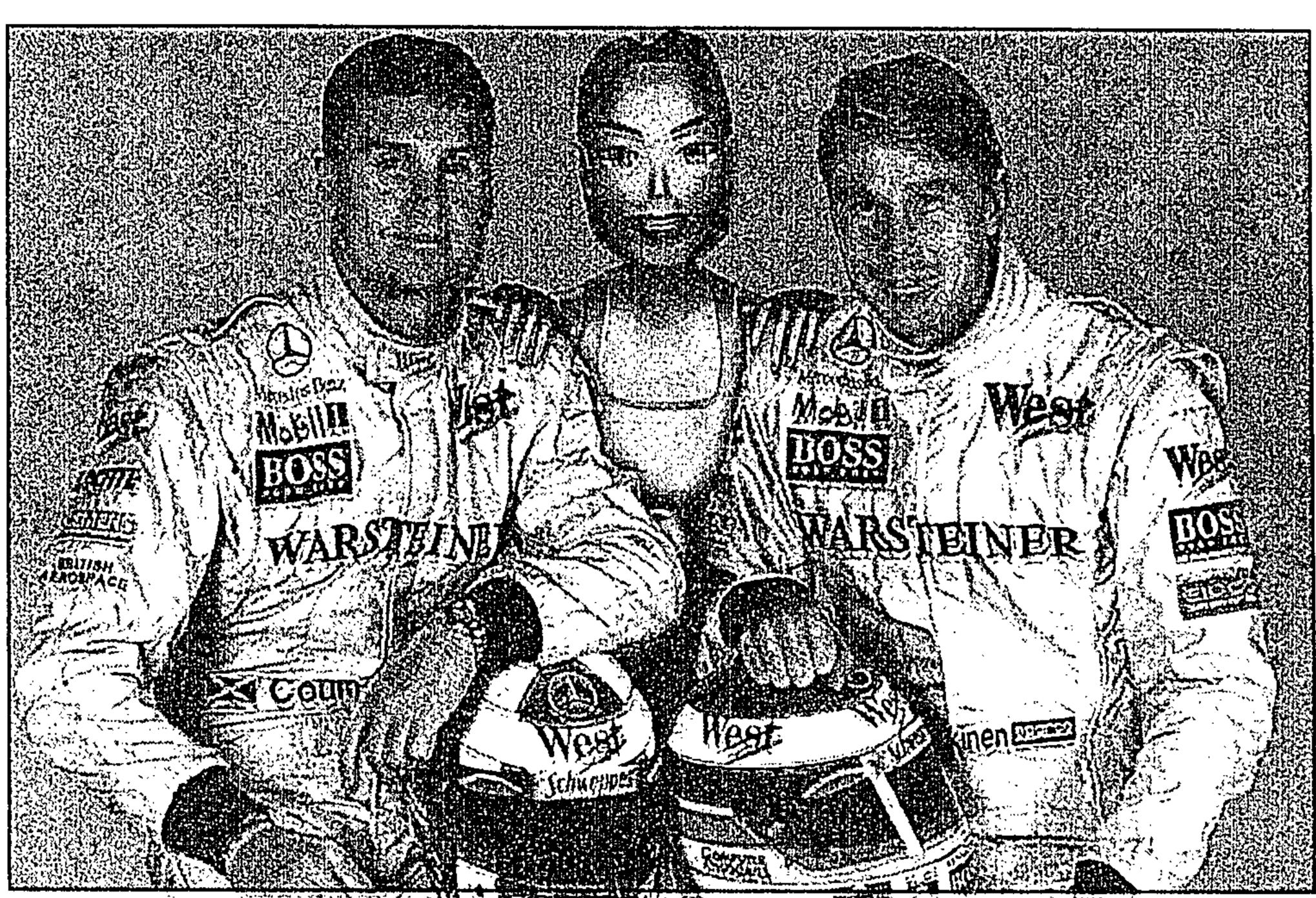
They will use use the same techniques that control racing telemetry — the system that transmits instant data on a racing car's (and driver's) performance to the pits. Faulty cars, via the same technology, will report their position and remedial requirements to the nearest patrol or even request a "remote fix" from RAC control.

All this helps explain why so many people think that Formula One cars, so often criticised in the past as speeding billboards for tobacco companies, are rapidly becoming billboards for IT companies. The highest profile link-up this season has been that between McLaren and Eidos, creator of the *Tomb Raider* games featuring Lara Croft. She is an obvious fit with the glamorous F1 ethos.

The same philosophy drives the links between Playstation and the French Prost team and Jordan, when it comes to the Silverstone Grand Prix.

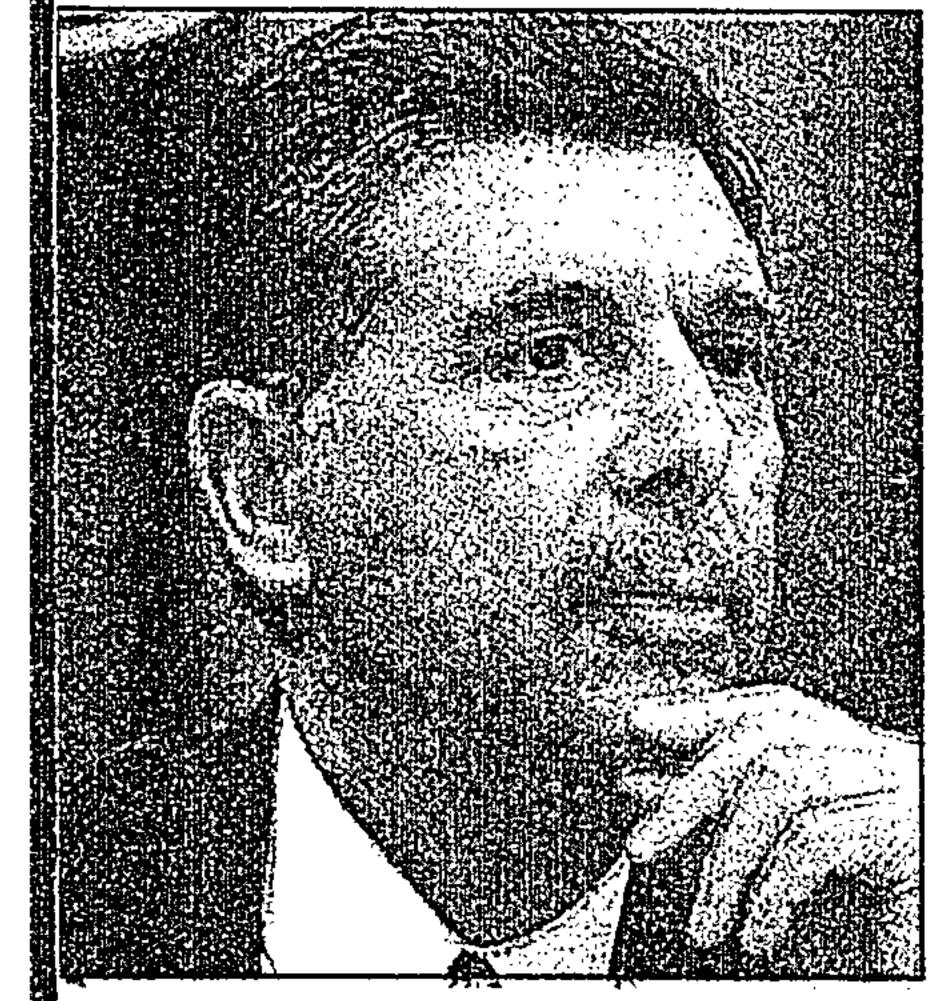Williams's link up with Nortel Networks may not bring with it the kind of millions that tobacco giants once donated to a sport that simply burns money, but Peter George, of Nortel is convinced that the link can contribute much more in practical help. Nortel's experience of wireless networking and data transmission allows technicians at the team's Oxfordshire base to monitor every moment of a test at a foreign circuit and even to make remote adjustments to the car's performance. Grant Tuff, mechanic for Ralf Schumacher's Williams car, says the data collected is vital to the team's performance.

The same rationale drives the links between Prost and the French computer company Alcatel and between Hewlett-Packard and the Jordan and Stewart teams. If the days of money to burn are numbered, then those of expertise are dawning.

● *www.ITV-F1.com*

Zoom raiders: David Coulthard, left, and Mika Hakkinen, have a high-tech link-up with Lara's Eidos

Start-ups get a Government pick-me-up

A £100 million venture fund has been launched to encourage technology entrepreneurs

Inquiry: Lord Trotman leads start-up review

Andrew Rosenbaum

The creation of a new £100 million venture fund to nurse new companies in Britain is yet another sign of the improving climate for high-tech start-ups in this country.

The Government announced the new venture fund yesterday at the Summit for Entrepreneurship held by the Venture Capital Association. This came hard on the heels of a speech in which Chancellor Gordon Brown emphasised the Government's commitment to lighten the burdens of high taxes and excessive administration on start-up companies and those who invest in them.

Speaking at the UK-US Enterprise Conference last Friday, Brown committed the Government to "encouraging new entrants and risk taking . . . by cutting business taxes and tackling red tape".

A full-scale review of constraints on creating start-up companies in Britain is to be launched by a commission led by Lord Trotman, the former chief executive of Ford. It will address the issues that most discourage British entrepreneurs: the tax pressure on stock options, which are a crucial incentive for entrepreneurs who seek to recruit managers, and Capital Gains Tax relief.

All of this is already helping to attract more business school graduates to work for high-tech start-ups instead of being lured to the big corporations.

"There's definitely been an improvement in recruiting good managers for new ventures as well as in the quality of business plans that we are seeing," says Jim Martin, the head of technology investment at 3i, Britain's largest venture capital firm.

"The UK has made rapid headway, both in the way people regard high-tech start-

> **6** When we look at a new company, we don't worry too much about how soon it will make a profit **9**

ups, and in the quality of people involved in them," agrees Peter England, head of technology investment at Apax Partners, the London-based venture capital firm.

The DTI is working to create a more favourable tax situation for stock options, and there is a possibility of a lower Capital Gains Tax for start-ups (capital gains tax is already down from the usual 40 per cent to 10 per cent for start-ups, but only if the entrepreneur keeps the company for ten years).

It is clear that the number of start-ups is on the rise. According to a study released last week by the Global Entrepreneurship Monitor, a joint research group of the London Business School and Babson College, the number of UK-based start-ups has risen about 20 per cent each year since 1996.

But the same study showed that "most people in the UK think starting a business is not a respected occupation in their community. In all other [nations studied] except Japan, a majority thinks the opposite is true."

"There are still real problems with culture," says Alexander Straub, who started Mondus.com, an internet-based office equipment broker, about eight months ago in Oxford. "If you compare the UK with Silicon Valley, you really see the difference. When I go there to recruit, there is enormous interest from MBAs in working with a start-up, and many of them have already had internships at a dot-com company. When I recruit in Oxford, I find more interest than before, but it is still nothing like California."

Certainly the venture capital industry is responding to the new demand. In 1998, venture capital firms invested a record £5 billion in the UK — up £800 million from last year — and £707 million of that went to high-tech startups.

But gaining access to venture capital means coming up with an idea for a company that will have concrete chances of building value. "When we look at new companies, we don't worry too much about how soon it will make a profit. Profits are not the most important factor for a start-up," says Martin.

"What we are looking for are companies that will create value. Companies that will function well, building a solid clientele for their product and with the real promise of growth for the future are the ones that get the attention of venture capitalists.

"Equally important, we look for a management team that will function effectively — hence the extreme importance of improving conditions for recruiting top-class managers," adds Martin.

"No matter how good an idea the entrepreneur may have, it has little chance of success if he does not have the right people to run it."

The key message is clear, however: would-be entrepreneurs who want to sell their business plans will get a good hearing from UK venture capitalists.